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ABSTRACT

The recommendation to require state certification of chief school business officers (CSBO's) is an attempt to strengthen the public schools' business function, to raise the CSBO's status, and to underscore the relationships between the business and program sides of school district operations. Although the CSBO has traditionally been viewed as the school bookkeeper, this position's duties and functions have grown exponentially during the past decades as school business activities have expanded in complexity. Also, recent state reform movements have created a new interest in more effective and efficient education resources management. Prior to discussing CSBO certification, the paper first describes the new job definition and workplace characteristics from which a set of competencies and standards can be established. Then the paper examines arguments for and against CSBO certification in California and examines certification activities in other states. Finally, some conclusions and recommendations are offered for California. Clearly, steps are needed to strengthen the competencies and skills of CSBO's. Certification should be instituted as a first step. Also, individual assessment, rather than course or program approval, should be used for the certification process. The certificate should have a continuing education requirement. Further analysis is needed for CSBO certification in smaller districts where the superintendent doubles as the CSBO. Included is an appendix describing certification requirements for selected states. (MLH)

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CHIEF SCHOOL BUSINESS OFFICER CERTIFICATION IN CALIFORNIA: An Idea Whose Time Has Come?

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CHIEF SCHOOL BUSINESS OFFICER CERTIFICATION IN CALIFORNIA: An Idea Whose Time Has Come?

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The recommendation to require state certification of Chief School Business Officers (CSBOs) is an attempt simultaneously to strengthen the business function in the public school system, to raise the status of the CSBO, and to underscore the relationships between the business and program sides of school district operations. There is increasing awareness of the linkages between board of education (and administrator) business and policy decisions and the quantity and quality of educational products and services provided to students. It is becoming more apparent that business decisions impact the educational program and that educational decisions impact the business side of the school district operation.¹ As this awareness has evolved, so also has the sense that the CSBO needs more expertise and skills than typically is the case today.

¹Everett, R.E., "Current State and Provincial Certification Requirements for School Business Officials in the United States and Canada", School Business Affairs, January 1985

Recent state education reform movements also have created a new interest in more effective and efficient education resources management. While exposure to this body of knowledge does not guarantee better school performance, a more concerted effort to insure that top district leaders and CSBOs understand current knowledge of education effectiveness, and the related resource allocation and use issues, undoubtedly would boost school and district performance.

This paper addresses these CSBO issues. Prior to discussing state CSBO certification, we will first describe the new job definition and work place characteristics from which a set of competencies and standards can be established. Then we will examine arguments for and against state certification of CSBOs in California. Next we will examine certification activities in other states. We will end with conclusions and suggestions for California.

JOB DEFINITION AND WORKPLACE CHARACTERISTICS

Traditionally, the CSBO has been viewed as the school bookkeeper. But CSBO duties and functions have grown exponentially during the past decades as the complexity and intricacies of school business activities have expanded. Today, the CSBO is faced with issues as diverse as food service budgeting, contract law, collective bargaining, categorical program fiscal accounting, state school finance, curriculum policy, and interpreting financial facts in an understandable way to help board members make good policy decisions.

There are at least four major domains of CSBO activities:

1. Fiscal Accounting -- Today, the CSBO needs to be more than just a super bookkeeper. Accounting principles, standards and techniques in both the private and public sectors have developed rapidly and sophisticatedly in the past few decades. There now are accepted rules and standards for public sector financial accounting, complex charts of accounts including program accounts, and movements to accrual rather than cash accounting. Further, the education system -- especially California's education system -- has numerous funding programs each of which needs to be handled separately in terms of fiscal accountability. In short, fiscal accounting has moved from simple bookkeeping to a complicated enterprise which can be conducted in a high quality way only by someone knowledgeable about current financial accounting practices, knowledge rarely part of formal training for the vast bulk of CSBOs.

2. Financial Management -- Today, CSBOs cannot just collect funds, put them in a checking account and write checks. Financial management includes an array of functions from projecting and generating revenues (often times through arcane and politically charged state channels), investing revenues, and disbursing revenues. Floating bonds, revenue anticipation notes, and tax anticipation notes; developing certificates of participation for capital construction purposes; setting up private foundations; operating fee-for-service activities like child and day care; investing excess funds for safe but high quality yields; analyzing risk management for insurance and employee benefits; and getting education's share of redevelopment funds are just a few examples of the diverse set of

financial management activities of CSBOs. Again, skills in these activities rarely are part of formal training.

3. Auxiliary Operations -- Today, CSBOs run large food service operations, huge transportation systems, substantial purchasing and order operations for books, materials and supplies, day care and pre-school programs, special education, occupational training, maintenance and operations including carpentry, plumbing, electrical, and building construction and rehabilitation. Each one of these operations requires separate skills and competencies, some of which overlap but many of which do not. While training programs usually address some of these functions, they rarely address all of them, and it could be argued that most tend to be unaddressed.

4. Communicating Fiscal Information in Understandable Language to Facilitate Good Policymaking -- Today, CSBOs need skills in helping school boards and superintendents integrate the program and policy sides of policymaking with the fiscal side. School district budgets are usually presented to boards in two-to-four inch high documents, often without a distillation of how the budget has addressed key policy issues, such as interactions among salary increases, benefit changes, and program enhancements. Often times, boards ignore the fiscal advice of the CSBO in large part because the CSBO is unable to communicate fiscal information in non-technical ways to help board members weave together program concerns with fiscal constraints. In addition, CSBOs often are unfamiliar with or ignore the program side of district operations so are unable to make the connections between dollars and curriculum and instruction. Further, many

CSBOs lack understanding of the local and especially the state political and policy environments which further limits their ability to help boards and superintendents fuse the policy, program and financial sides of district decisionmaking.

It is the eclectic nature of CSBO activities that necessitates that they understand of a wide range of bodies of knowledge. These knowledge bases should be required for a person selected to run school district business activities. The requirements could be mandated by the state or required by a professional body for entry into the profession.

COMPETENCIES

While the activities of a CSBO vary to some degree from district to district, a base body of knowledge could be established and required for all practicing CSBO. Such competencies would include the following:

A. School finance including not only the specifics of the complicated California school finance systems, but also the broader policy dimensions of financing public schools and an understanding of school finance as a major element of the state/local fiscal and tax structure.

B. Conventional school business administration including budgeting, transportation, operation and maintenance, food service, and management information systems.

C. Law, not just school law but contract administration, contract law, torts and personnel law.

D. Collective bargaining for all personnel, certified and classified. This could include new versions of collective bargaining, such as policy trust agreements, that mesh with emerging teacher professionalism issues.

E. Accounting principles, public sector financial accounting, program accounting, and use of computer technologies to automate accounting functions.

F. Financial management including, cash management, cash flow analysis, creative financing and risk management.

G. Development and operation of fee-for-service activities such as child care, pre-school, community service, and staff development training programs.

H. Real estate and physical facilities management, including obtaining revenues to build schools and then managing the physical assets of public schools, which total \$60 billion in California.

I. Maintenance and operations including plumbing, carpentry, electrical, custodial, and building inspection.

J. Development and use of computer technologies to make the operation of the above functions more efficient and to facilitate analysis of the policy dimensions of the functions.

K. Politics and policy; demographic, economic and fiscal trends; educational effectiveness issues; integrating business (resource allocation) with program side issues; and translating financial information into policy terms for superintendents and boards of education.

Information and expertise in these areas would be obtained through a combination of university course work and seminars, and

workshops provided by various professional organizations, or university continuing education programs. It is important that individuals receive a conceptual and substantive overview of principles in each of these subject areas, as well as practical, on-the-job expertise so that they can function effectively in a CSBO position.

It sadly is the case that most CSBOs have insufficient formal training for their current responsibilities. Those from within the public schools usually take coursework that covers only school finance, school business administration, school personnel, and only the school law portion of the legal topic. Private sector individuals who move into a CSBO position usually have accounting and financial management expertise, but tend to know neither education nor public sector financial accounting. Few, if any, CSBOs can claim to have expertise in all of the above areas. In short, there are few requirements or norms that insure that CSBOs have the needed competencies and skills needed to perform their job in the highest quality professional manner.

ARGUMENTS FOR CERTIFICATION

State certification is one mechanism for upgrading standards and requirements for the CSBO, and possibly for insuring training and expertise in the above competencies. There are four primary arguments for CSBO certification:

1. To Professionalize the Job. Certification of some sort is an element of a profession. It would reflect the standards of the profession, preparation required to enter the profession, and other requirements for admission to the profession. CSBO certification,

thus, could help create a professional aura for the CSBO which might attract more capable and better prepared individuals into the field and therefore provide higher quality services to school systems and, ultimately, to students.

2. To Increase Skill Level. CSBO certification would require the completion of a set of courses (or experiences) covering new skills and competencies that would increase the knowledge and expertise of the CSBO individual, and thus increase that individual's level of performance in the business office.

3. To Strengthen Accountability. CSBO certification has become an issue associated with the wider educational reform movement. Accountability is an expression of the public's demand to improve the effectiveness and efficiency of school operations, for the business as well as the program side.

4. To Increase the Number of High Quality Applicants. Increasing entry requirements and raising standards could make the job more attractive to a greater number of able, business-operation-oriented individuals. Increasing requirements and standards might also "push-up" the salary and thus add another attractive feature for recruiting able individuals to the CSBO position.

ARGUMENTS AGAINST CERTIFICATION

There are two primary arguments against certification:

1. Intensifies the chronic shortage of CSBO's. Currently, there is a lack of applicants for CSBO positions. Stiffer certification requirements might further reduce the number of individuals qualified for the job, at least in the short run.

2. **Increases Bureaucratization.** Adding a new certificate for a job in education would expand the number of bureaucratic barriers that must be hurdled to get an important education job. Most state CSBO certificates are not granted by a professional body, but by a state agency. While increasing professional standards is one vehicle for upgrading the CSBO position, having a state agency administer the certification program can undermine that thrust by expanding bureaucratic rather than professional control.

OTHER ISSUES RELATED TO CERTIFICATION

Other issues surrounding certification and licensing of school business officers include questions of: 1) preparation and training; 2) uniformity and reciprocity among the states ; and 3) on-going training instead of, or part of, certification.

1. Preparation and Training

States have the legal authority to license or certify an individual to perform business tasks and functions in the public schools. Even if the competencies and standards outlined previously were required, there remains the issue of what would constitute fulfilling those requirements. The state could base certification on the completion or attainment of any one or more of the following:

a. **Educational requirements**, including degrees and/or majors.

b. **Completion of approved course work**, as is the norm today when states recognize several courses as covering required

skills and competencies. An issue would be the mix of courses to be university provided and/or professional organization provided.

c. Internship, to insure on-the-job-experiences that transform academic training into performance.

d. Standardized Testing, to assess knowledge across required skills and competencies.

e. Performance Testing, to assess ability actually to perform adequately various functions of the job.

f. Work Experience, to insure acceptable on-the-job performance.

These types of issues are especially important when considering how to integrate the preparation and assessing mechanisms with the specific new skills and competencies required for the different labor pools from which a CSBO might be recruited. Many principals and teachers want to become CSBOs; they would probably need training in all of the competency areas. Some directors of particular aspects of the business operation, such as transportation or food services, attempt to move to a CSBO position. While that jump in responsibilities is difficult, such individuals too would need training in all competency areas. College graduates with a B.S. in business administration, on the other hand, would have several of the requisite competencies and would need to learn mainly the public education specific dimensions of them, as well as schooling issues generally. Similarly, treasurers or chief financial officers from small business also would need to learn mainly public sector accounting and public education dimensions of the business operations.

So, while a university program, i.e., a set of approved courses, might be an appropriate training vehicle for some potential CSBO candidates, it might be inappropriate for several others. Moreover, even if a set of courses were appropriate, a mix of university and professional organization provided courses might be better than just university courses. Further, some type of successful internship and/or assessment mechanism might be a more accurate indicator of ability to perform the job than just completion of a set of courses, however provided. Thus, a system that focused on assessing competency on an individual basis -- requiring both formal preparation and both paper and pencil and performance tests -- might be most appropriate for insuring entry to the CSBO position for able individuals from a variety of backgrounds, not just individuals with public education experiences.

2. Uniformity and Reciprocity

Lack of consistency and uniformity among the states raises the question of reciprocity. The reciprocity issue concerns the ability of the individual to transfer certification from one state to another. Although reciprocity is fairly common for instructional personnel and many administrative positions, the practice is not commonplace for school business officers. Few states have certification programs for CSBO's and where they exist there is a lack of uniform competencies and standards. Reciprocity is probably not possible until more states make state CSBO certification mandatory, and the required competencies have substantial uniformity.

3. Recertification

Recertification is a method to insure that individuals "keep up" with the latest practices in the field. While recertification typically entails college course work, some states offer recertification through courses offered by professional organizations. In most professions, requirements for ongoing, continuing education to keep current with the field are becoming the norm. Thus, if California required CSBO certification, it would be wise to require recertification activities in order to follow standard professional practices.

CURRENT STATE APPROACHES TO CSBO CERTIFICATION

One approach to insure higher standards and performance for the CSBO is state certification. To date, 31 states either require certification, maintain optional certification or are even discussing certification of CSBOs, as shown in Table 1.

Eighteen states require CSBO certification: Colorado, Connecticut, Delaware, District of Columbia, Hawaii, Illinois, Kentucky, Massachusetts, Michigan, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, West Virginia and Wisconsin. Of these, eleven require that individuals complete recertification requirements.

Some large states require certification; most do not. There is substantial diversity and no clear geographic or demographic trend related to state CSBO certification.

Eight states provide a state certificate for CSBOs, but do not require certification for employment. Finally, seven states -- as of 1987 -- were in various stages of discussing state CSBO certification.

Table 1

CURRENT STATE APPROACHES TO CHIEF SCHOOL BUSINESS OFFICER CERTIFICATION

State	Certificate Required	Recerti- fication Required	Certification Available But Not Required	Being Discussed
Arizona	No	---	Yes	---
California	No	---	Yes	Yes
Colorado	Yes	Yes	---	---
Connecticut	Yes	Yes	---	---
Delaware	Yes	Yes	---	---
Dist. of Columbia	Yes	Yes	---	---
Florida	No	---	Yes	Yes
Hawaii	Yes	No	---	---
Illinois	Yes	No	---	---
Kentucky	Yes	Yes	---	---
Maryland	No	---	Yes	No
Massachusetts	Yes	No	---	---
Michigan	Yes	---	---	---
Minnesota	No	---	Yes	---
Mississippi	No	---	---	Yes
Missouri	No	---	---	Yes
Nebraska	Yes	No	---	---
Nevada	No	---	Yes	No
New Hampshire	Yes	Yes	---	---
New Jersey	Yes	No	---	---
New Mexico	Yes	Yes	---	---
New York	Yes	No	---	---
North Carolina	Yes	Yes	---	---
Ohio	Yes	Yes	---	---
South Dakota	No	---	Yes	No
Utah	No	---	Yes	No
Vermont	No	---	---	Yes
Washington	No	---	No	Yes
West Virginia	Yes	Yes	---	---
Wisconsin	Yes	Yes	---	---
Wyoming	No	---	---	Yes

Source: Ron Everett, "Certification and the School Business Official", School Business Affairs, forthcoming.

Even for states that require CSBO certification, though, the substantive competencies required are only a small subset of those

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outlined in the previous section (See Appendix A). Typical requirements include courses only in school finance, conventional school business administration, personnel administration, traditional school law, and general administration, which usually are the same courses required for a general administrative certificate. While some states require accounting for CSBO certification, in general CSBO certification requirements rarely are very specialized and usually do not reflect the wide array of knowledge and skills needed for the complex job of the CSBO. No state CSBO requirements reflect the full range of competencies identified earlier in this paper.

Further, few if any states require internships for CSBO certification. Moreover, rather than using individual performance assessment as the final tool for certification, the general practice is to require completion of a set of university courses or a university program. As discussed above, while such a requirement might be appropriate for school people wanting to move into the CSBO position, it is not the most appropriate requirement for the business administration college graduate or financial officers from the private sector who want to move into the education business office. And in no state does a professional body of CSBOs make the certification decisions; it is always handled by a state bureaucracy.

In short, current state practices with respect to CSBO certification seem not to be the obvious vehicle to upgrade the skills and competencies of the individuals who hold CSBO positions, nor to transform CSBOs into a full profession. While state certification seems to upgrade to some degree the competencies new individuals might bring to the CSBO position, it seems not to increase the skills to

the level of competencies outlined above in this paper. And state certification entails bureaucratic sanction rather than professional sanction for entry into leadership of the business office.

CONCLUSION

It is clear that some steps are needed to strengthen the competencies and skills of CSBOs. While a state license or certificate may not resolve all the issues needed to accomplish this upgrading, they could constitute a first step. Thus, we first suggest adopting state CSBO certification as a beginning of what should ultimately be a longer and more complex process of improving CSBOs in California.

Second, we suggest that individual assessment of some sort, rather than course and/or program approval, be used for the certification process. As noted above, the different labor pools from which CSBO candidates can be recruited pose different training needs which make a uniform program approval an inappropriate mechanism on which to base certification. Assessment on an individual basis, which in the best of worlds would include performance as well as knowledge assessments, is the preferred approach.

Third, we suggest that any certificate have a continuing education requirement. This type of requirement has become commonplace among most professions. For good professionals, continuing education is expected and accepted. Further, since the issues over which a CSBO needs to maintain expertise change over time, continuing education of some sort is necessary to keep current.

Last, further analysis and thought is needed for CSBO certification for small school districts, where the superintendent usually functions as the CSBO too. At this point, requiring a CSBO certificate for that job might create more problems than it resolves. We are not able to make any clear recommendations on that situation at this time.

APPENDIX A
SUBSTANTIVE CERTIFICATION REQUIREMENTS
FOR SELECTED STATES

Arizona

1. Bachelor of Arts degree or Bachelor of Science degree.
2. Interview by Certification Review Panel.
3. Membership on Certification Review Panel.

Connecticut

1. Minimum of three years of service as school business administrator under provisional certificate.
2. Minimum of 30 semester hour past BA or BS with
12 hours in:
 - school business administration
 - school finance
 - budgeting and resource management
 - school law
 - personnel administration
 - school plant planning and operations
 - collective bargaining or systems analysis6 hours in:
 - public school administration
 - education policy analysis
 - organizational behavior
 - curriculum and instruction
 - foundation of education

Delaware

1. Bachelor's degree in business administration, accounting or engineering -or- business training and experience approved by the State Department of Education.
2. Minimum of five courses from at least three of the following areas:
 - intermediate accounting
 - school business management
 - finance
 - school buildings
 - school or business law
 - state budget procedures

Illinois

1. Master's degree completed and verified.
2. Completion of 18 hours of approved coursework
3. Approval for field experience included in an orientation to school management course.
4. Completion of comprehensive examination.
5. Two years of management experience in school business management.
6. Recommendation from supervising employer.

Kentucky

1. Two years experience in government, business or education.
2. Three years experience as school business administrator
3. Masters degree.

4. Completion of the following courses:
 - History and Philosophy
 - School Organization and Administration (two courses)
 - School Law
 - Business Law
 - Principles of Accounting (two courses)
 - Governmental or Public School Accounting
 - Public Finance and Taxation
 - Public School Finance
 - School Plant Planning
 - Office and Personnel Management

Massachusetts

1. Massachusetts teachers certificate and one year employment in role covered by certificate,

- or -

Three years employment in supervisory role at managerial level.

2. Completion of a pre-practicum consisting of 24 semester hours including, but not limited to:
 - Budgeting and Accounting
 - Purchasing
 - Plant Planning
 - Operation and Maintenance
 - School finance
 - Personnel Management
 - Food Services
 - School Law
3. Completion of half practicum (150 clock hours) within one year, or an internship (300 clock hours) within two years.

New Hampshire

1. Must complete approved state program, have acquired competencies, skills, knowledge through experience or have demonstrated equivalent of approved program through experience in business management.
2. Completion of coursework or demonstration of competence in the following areas:
 - budget development/management
 - law
 - contract bidding
 - negotiations
 - maintenance and construction of facilities
 - purchasing
 - transportation
 - data processing
 - personnel
 - cost effectiveness
 - financial reporting

New Jersey

1. Bachelor's degree and instructional certificate
2. Three years teaching experience or business training and experience approved by board.
3. 30 semester hours of study in:
 - school business administration
 - school buildings
 - school finance
 - school law
 - accounting
 - organization-administration of public schools
 - curriculum
 - foundations of education and electives

North Carolina

1. Bachelor of Arts degree with concentration in business administration including nine semester hours in accounting,

- or -

Bachelor of Arts degree in a non-related concentration with a minimum of 24 semester hours of business related-courses, 18 of which must be from the following list:

Principles of Accounting
Intermediate Accounting
Cost Accounting
Governmental Accounting
Financial Management
General Management
Business Communications

- or -

Masters degree in business related field,

- or -

North Carolina CPA license and three years experience in business-related field.

Ohio

1. Bachelors degree
2. 300 clock hours of field experience in program areas.

- or -

Nine semester hours or 36 continuing education units areas defined below:

- Accounting
- Computer Applications
- School Finance
- Economics
- Statistics
- Labor Relations
- Purchasing
- Office Administration and Procedures
- School Administration and Procedures
- School Plant Management and Operations
- School Law
- Purchasing
- Transportation Management
- Food Service Management
- Risk Management
- Personnel Management
- Public Relations
- Real Estate Management

- or -

Two Years gainful employment as a supervisor, director or an assistant business manager.

Wisconsin

1. Superintendents license.
2. Three years experience as chief school district administrator.

- or -

1. Master's degree.
2. Nine graduate semester hours in school business management coursework, including:
 - school accounting
 - purchasing/ supply management
 - school plant planning
 - personnel management
3. Nine graduate or undergraduate semester hours in business administration, including:
 - accounting
 - public finance
 - investments
 - insurance
 - public relations
 - data processing
4. Nine graduate hours in educational foundations

Sources: U.S. Department of Education, "A Roundtable Discussion of the Preparation and Recruitment of School Business Officials," June 19, 1987; Everett, R.E., "Current State and Provincial Certification Requirements for School Business Officials in the United States and Canada," School Business Affairs, January 1985; materials from several states on CSBO certification.